



# GOVERNOR JOSH SHAPIRO

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## **Governor Shapiro Invests in Pennsylvania Businesses and Main Streets as the Federal Government Raises Taxes and Prices**

*Governor Shapiro visited Fegley's Brew Works in the Lehigh Valley to highlight his Administration's work to grow Pennsylvania's economy and support our small businesses and Main Streets.*

*Governor Shapiro created the Main Street Matters initiative and secured \$20 million for Pennsylvania main streets in 2024 – and he's cut taxes and reduced costs repeatedly for Pennsylvania businesses and consumers alike.*

*The Shapiro Administration's investments and tax cuts come as new federal tariffs will create significant challenges for Pennsylvania's businesses – including craft brewers – by imposing a tax that increases costs and creates uncertainty for businesses and consumers.*



**Bethlehem, PA** – Today, **Governor Josh Shapiro** visited **Fegley's Brew Works** in the Lehigh Valley to highlight his Administration's investments in Pennsylvania's small businesses and main streets – and his work to cut taxes and reduce costs for Pennsylvanians. The **Shapiro Administration** has committed **\$20 million** to the **Main Street Matters Program**, helping small businesses and commercial corridors all across the Commonwealth. Over the past year, the **Pennsylvania Department of Community and Economic Development (DCED)** has supported local economic development efforts, including \$20,000 to Bethlehem City for commercial façade improvements, \$146,500 for remediation of a blighted property in Bethlehem's Enterprise Zone, and multiple Neighborhood Assistance Program (NAP) grants to support community development in Bethlehem City. Additionally, last fall, the **Pennsylvania Department of Agriculture (PDA)** [awarded](#) more than **\$516,000** in research and marketing grants to

boost sales, production, and quality in Pennsylvania's craft beer and malt beverage industry.

During his visit, **Governor Shapiro** highlighted the harmful impact of new federal tariffs, which threaten to raise costs for businesses and put key industries — such as Pennsylvania's craft beer industry — at risk. With more than 500 craft breweries across the Commonwealth, Pennsylvania is a national leader in craft beer production, supporting thousands of jobs and generating millions in economic impact. Since taking office, the Governor has prioritized investments to help craft brewers expand, modernize, and reach new markets. His Administration remains committed to lowering costs, cutting red tape, and ensuring Pennsylvania's businesses have the resources they need to compete and grow.

"Every community in Pennsylvania has a main street — places where we come together to shop at small businesses, share a meal with family or friends, or have a beer on the weekends — and those main streets matter. While my Administration invests in our main streets, Washington is making it harder for the small businesses that line them to succeed by driving up their costs and increasing taxes," said **Governor Shapiro**. "The new federal tariffs going into effect today are a tax on our businesses and our consumers that will drive up costs for everyone — they'll even make beer more expensive. Here in Pennsylvania, instead of raising costs, we're cutting costs for our businesses and consumers, and focusing on smart, strategic investments that create opportunity and grow our economy."

**Governor Shapiro's** visit comes amid growing economic uncertainty as new federal tariffs — particularly on aluminum and steel — threaten to increase costs for Pennsylvania businesses, including craft brewers and manufacturers. With many industries relying on affordable materials to remain competitive, these tariffs put Pennsylvania jobs and economic growth at risk. From day one, the Governor has prioritized strengthening the Commonwealth's economy by streamlining regulations, reducing costs, and investing in workforce development. His Administration remains focused on helping businesses navigate these challenges and ensuring Pennsylvania remains a national leader in economic growth.

### **Federal Tariffs are Raising Prices on Pennsylvania Small Businesses and Industries**

While **Governor Shapiro** is focused on lowering costs and growing Pennsylvania's economy, the Trump Administration's proposed tariffs are set to drive up costs for businesses and families alike. The Administration's 25 percent tariffs on steel and aluminum are already raising costs for small businesses — including Pennsylvania's craft brewers — forcing businesses to absorb higher production costs or pass them on to consumers. The result could be higher prices for craft beer across the Commonwealth.

Pennsylvania is home to **530 craft breweries**, making it the **second-largest craft beer producer in the nation**. The industry generates **\$5.4 billion** annually in economic

impact, supporting local farmers, manufacturers, and businesses. But with 75 percent of beer sold in aluminum cans, increased aluminum costs will directly hurt brewers, raise prices, and slow industry growth.

"The Brew Works was established in 1998, and we're about to celebrate our 27th anniversary. We chose this location right here on Main Street because of the natural flow of people coming through town. It's an incredible, historic downtown—if you've never been to Bethlehem before, we have a phenomenal historic hotel, great places to get ice cream, and a super walkable, beautiful downtown. That was the main reason we picked this spot," said Jeff Fegley, owner of Fegley's Brew Works. "Obviously, there are some real concerns right now about the economy, the future, and specifically these tariffs, which are a major issue for small businesses like mine. It's a big unknown how they'll impact us — we have ingredients that come from Canada and other sources that could see price increases overnight. I'm glad the Governor is here to talk about this because I know it's something he's concerned about as well."

In addition to cans, breweries use equipment made from steel and import their malted barley from Canada due to a shortage of domestic supply. Beyond craft brewing, retaliatory trade restrictions could make it harder for Pennsylvania businesses to compete internationally, putting thousands of jobs at risk across manufacturing, agriculture, and exports.

"We're a mom-and-pop operation — my wife and I run it day to day — and we've built a great community in our neighborhood. We love being a meeting place for folks and seeing people come in every day to connect. We've been in business for four years and have navigated plenty of challenges, but now we're facing a new hurdle with these tariffs," said **Beau Baden, owner of Sherman Street Beer Company**. "This is going to add costs for us — our suppliers will pass their increased costs down to us. Cans are a big part of our business, and beer has to go into something, whether it's a can, keg, or another container. So now we have to figure out how to offset these costs. Do we absorb them ourselves, even though small businesses like ours operate on razor-thin profit margins of just five to ten percent? Or do we pass them on to consumers, who are also price-sensitive right now? It's a tough decision, and we want to keep growing and expanding. If we need to buy more tanks, that's another cost to consider. I know a lot of other small breweries and business owners are facing the same challenge, just trying to sustain what they've built."

### **Investing in Pennsylvania's Main Streets and Businesses**

While the federal government is driving up costs, **Governor Shapiro** is making strategic investments to ensure Pennsylvania's businesses and Main Streets thrive. Since taking office, his Administration has prioritized economic growth, job creation, and community revitalization.

Through the Main Street Matters initiative, the **Shapiro Administration** has invested **\$20 million** to revitalize downtown areas, help businesses grow, and improve community infrastructure. These funds build on the success of the Keystone Communities Program, which has helped cities and towns across Pennsylvania repair

historic buildings, improve pedestrian safety, and provide direct support to small businesses.

Bethlehem has benefited from these investments, receiving two grants in 2024 — one to restore building facades in the historic downtown and another to rehabilitate a blighted property for new business use. These projects demonstrate the impact of smart state investments in growing Pennsylvania's economy.

"It's an honor to have the Governor here in the great city of Bethlehem to talk about the consequences of these tariffs, but also to give our small businesses a chance to share the Bethlehem story. And the Bethlehem story isn't a Democratic or Republican story — it's an American story," said **Bethlehem Mayor Willie Reynolds**. "What we've accomplished as a community over the past 25 years is not partisan; it's bipartisan. We've attracted new investment, new families, and people who want to live, work, and raise their kids here. And the backbone of that success has been jobs. In 2008, we had about 28,000 jobs — now, we're over 42,000 jobs in the city of Bethlehem. That American success story is possible because we have leaders like Governor Shapiro who are committed to building on that progress."

"Bethlehem is all too familiar with how global trade issues can decimate an industry — such issues led to the closure of Bethlehem Steel. Imposing or removing tariffs happens in Washington DC," said **Senator Lisa Boscola**. "I want to highlight the negative impact the proposed tariffs will have on an important industry here in the Lehigh Valley and that I'm willing to work with my colleagues in Harrisburg to help out businesses weather these uncertain times."

"Small businesses are the key to job creation, and craft breweries like Fegley's will be significantly impacted by these tariffs. While the Governor and I cannot stop Washington from imposing these harmful tariffs, we, as policymakers, must figure out how we can help," said **Representative Steve Samuelson**. "We need to highlight the impact these policies will have on Pennsylvania businesses, make sure everyone understands the stakes, and pledge to do everything we can to support small business owners through this uncertainty."

"Small businesses like Fegley's Brew Works matter to their communities — and they matter to the Commonwealth. We know that small businesses drive both our state and national economies," said **Representative Jeanne McNeill**. "The tariffs proposed by the Trump Administration would hurt craft brewers across Pennsylvania, and the state House must work with Governor Shapiro to fight these tariffs and protect businesses like Fegley's."

### **Cutting Costs and Investing in Economic Development in Pennsylvania**

**Governor Shapiro** is delivering real results for Pennsylvania's workers, businesses, and families. Since taking office, his Administration has taken bold steps to strengthen the economy, attract new investment, and put more money back in Pennsylvanians' pockets:

- **Secured \$500 million in site development funding** to attract businesses, create jobs, and drive long-term economic growth.
- **Generated \$3.7 billion in private sector investment**, leading to the creation of over 5,000 new jobs across Pennsylvania.
- **Cut business filing wait times** from 8 weeks to just 2 days, making it easier for entrepreneurs to start and expand their businesses.
- **Increased the Net Operating Loss (NOL) Deduction Limit**, allowing businesses to reduce taxable income by up to 80 percent by 2029 — keeping Pennsylvania competitive with other states. In this year's [budget proposal](#), the Governor proposed accelerating **Corporate Net Income Tax (CNIT)** cuts by two years, reducing the tax rate by 0.75 percent annually and lowering it to 4.99 percent by 2029.
- **Expanded the [Child and Dependent Care Enhancement Tax Credit](#)**, delivering **\$136 million** in savings to over 218,000 families, while launching the **Employer Child Care Contribution Tax Credit** to help businesses support employees' childcare costs.
- **Delivered the largest tax cut for seniors in nearly 20 years**, helping older Pennsylvanians stay in their homes.

**Governor Shapiro's** leadership is driving Pennsylvania's economic growth by supporting businesses, strengthening Main Streets, and creating jobs all across the Commonwealth. These strategic investments are vital to the future prosperity of Pennsylvania's communities – rural, urban, or suburban alike – and the Governor is committed to ensuring that businesses have the support they need to thrive. Learn more about the **Shapiro Administration's** efforts to support Pennsylvania's businesses and Main Streets in the Governor's [2025-26 budget proposal](#) at [shapirobudget.pa.gov](http://shapirobudget.pa.gov) and discover how the Administration is [creating economic opportunity](#) to build a stronger, more competitive economy for all Pennsylvanians.

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